



## **CALIFORNIA VETERANS BOARD**

### **MINUTES OF SELECT COMMITTEES MEETING #649**

**Friday, October 4, 2002 -- 1:00 P.M.**

**California Veterans Home**

**Chula Vista, CA**



### **OPENING COMMENTS/ INTRODUCTIONS:**

The California Veterans Board (CVB) informal public meeting was called to order at 1:00 p.m. California Veterans Board members present included Chairman George Sinopoli (Fresno), Vice Chair Edward Feldman (Westlake Village), Members Jerry Basconcillo (Delano), Judy Gaze (San Diego), Larry Lattman (California Veterans Home in Yountville) and Leo Burke (Stockton). CVB Executive Officer Earl Steck was also present. Chairman Sinopoli, introduced the Board Members and the Executive Officer to the audience. He also introduced Joe Maguire, Chief Counsel to the Board and the Department, and Tom Kraus, Undersecretary of Veterans Affairs

Chairman Sinopoli explained that this meeting is informal with the audience being invited to speak and ask questions. He asked the audience to introduce themselves. Members of the audience included Shirley Horton, Mayor of Chula Vista; John Willett, Chula Vista Chamber of Commerce; Mary Salas, Councilwoman from Chula Vista; Steve Arends, San Diego County Veterans Advisory Commission; Al Pavich, Vietnam Veterans of San Diego and founder of Stand Down; Tom Arnold, Administrator of the Chula Vista Veterans Home; Gary Crossland, Chula Vista Veterans Home; Glen Halsey, Chief of Veterans Services, CDVA; George Flores, Chief of Farm and Home Purchases, CDVA; several residents of the Chula Vista Veterans Home and other visitors.

Chairman Sinopoli invited Mayor Horton to address the assembly. Mayor Horton welcomed the Board and visitors to Chula Vista and said the city was proud to have the Chula Vista Veterans Home in the community. She invited all attendees to enjoy the many amenities offered by the community.

### **SELECT COMMITTEES REPORTS:**

**Policy and Procedures – Edward Feldman Chair:** Dr. Feldman said a revision of policy A-5 has been submitted to all Board members for consideration. The subject is “Pending Legislation and Litigation” and the purpose is to keep the Board apprised of litigation involving the Department and to ensure the Board has information to take positions on pending legislation, as appropriate. He said he had temporarily suspended further efforts awaiting a ruling regarding independent counsel for the Board.

This is being done with the cooperation of Joe Maguire, Chief Counsel for the Department, and the Office of the Attorney General. Although the missions of the Department and the Board are similar, there is concern regarding conflict of interest. A primary mission of the Board is to establish policy for the Department and it appears to make sense to have counsel separate from the Department's counsel. He said he is encouraged by recent conversations with staff of the Attorney General's Office and hopes to have a resolution in place within the few months.

Chairman Sinopoli explained the Board is appointed by the Governor to set policy for the administration of programs by the California Department of Veterans Affairs (CDVA), including the Veterans Homes, the Division of Veterans Services and the Farm and Home Division that administers the Cal-Vet loan program. He explained that Joe Maguire and his Legal Division provide counsel to both the Department and the Board. Because of the relationship between the two entities, the Board is attempting to acquire separate counsel in order to avoid any appearance of conflict of interest. Chairman Sinopoli commented that Governor Davis had approved legislation for the construction of five new veterans homes in California. The Chairman of the Site Selection Committee is Board Member Leo Burke. The homes are to be built in Lancaster, West Los Angeles, Ventura County, Fresno County and Shasta County.

**Annual Report – Jerry Basconcillo, Chair:** Mr. Basconcillo said the California Veterans Board Annual Report to the State Legislature was submitted to the Governor's Office for approval on September 16, 2002. The California Military and Veterans Code requires the Board to report on its activities, accomplishments and expenditures on a fiscal year basis. This report is for the fiscal year from July 1, 2001, through June 30, 2002, and is due to the Legislature on October 1 each year.

**Farm and Home - Judy Gaze, Chair:** Ms. Gaze welcomed everyone to San Diego County that has the best weather in the State of California. She said she hoped everyone would have an opportunity to participate in the activities of Fleet Week in San Diego. Activities will continue throughout the month of October. Ms. Gaze said she met with Don Christiansen, Manager of the Cal-Vet San Diego District Office, to brainstorm ideas to improve the Farm and Home Loan Program so that younger veterans and active duty service members can use the benefit. She said that prices of homes, as well as the cost of rentals, are astronomical in San Diego, and many veterans are unable to remain in San Diego because they cannot afford housing. Ms. Gaze said she would be asking for assistance from Board members to do some lobbying of legislators to make the Cal-Vet loan available to more veterans and active duty military people. Ms. Gaze also reported that she and other members of the Board had attended the graduation of the Marine Corps Recruit Depot in downtown San Diego. The graduates were young men who had spent twelve weeks in boot camp. There was a wonderful presentation and parade of the honorees. She said there is no service like the Marine Corps for putting on a military function and the graduates did a tremendous job showing their pride in becoming Marines. In reply to a question, Ms. Gaze explained there were no women honored in the morning ceremony, as Marine boot camp for women is located in Parris Island, South Carolina.

**Veterans Services - Jerry Basconcillo, Chair:** Chairman Sinopoli asked Mr. Basconcillo to read a resolution honoring Glen Halsey, Chief of the Veterans Services Division. He explained the resolution would be presented at the formal Board meeting on Saturday, October 5. Mr. Basconcillo read the resolution as follows:

# Resolution

## California Veterans Board

**WHEREAS**, Glen Halsey was born in Pasadena, Calif. and enlisted in the United States Marine Corps in October 1964; and

**WHEREAS**, in March of 1966, Uncle Sam sent Mr. Halsey with the 1<sup>st</sup> Marine Division to Vietnam where he made several amphibious landings.

**WHEREAS**, in October of 1966, Mr. Halsey was wounded by a land mine explosion and small arms fire, which caused the loss of his right eye and wounds to his arms and legs; and

**WHEREAS**, Mr. Halsey's awards include the Purple Heart, Combat Action Ribbon, Presidential Unit Citation, Good Conduct Medal, National Defense Service Medal, Vietnam Service Medal with two bronze stars, Republic of Vietnam Meritorious Unit Citation (Gallantry Cross Color with palm), Republic of Vietnam Meritorious Unit Citation (Civil Action Color, 1<sup>st</sup> Class with palm), Republic of Vietnam Campaign Medal and Rifle Marksman Badge; and

**WHEREAS**, Mr. Halsey is a member of the American Legion, AMVETS, Blinded Veterans Association, Disabled American Veterans (DAV), Military Order of the Purple Heart, National Coalition for Homeless Veterans (NCHV), Veterans of Foreign Wars of the United States, and Vietnam Veterans of America; and

**WHEREAS**, Mr. Halsey served as California department commander of the DAV from 1985 to 1986; &

**WHEREAS**, Mr. Halsey has accumulated more than a quarter century of State service, including 22 years with the Employment Development Department Veterans Program, and is recognized both in California and in the U.S. as a leader in veterans issues; and

**WHEREAS**, as chief, Veterans Services Division, California Department of Veterans Affairs, Mr. Halsey is responsible for managing several programs including veterans' claims and services as well as educational assistance to veterans' dependents; and

**WHEREAS**, Mr. Halsey is also responsible for developing outreach programs targeting, among others, nonprofit community-based homeless veteran service providers and disabled veteran business enterprises, and for maintaining a strong working relationship with educational institutions and veterans service organizations; and

**WHEREAS**, in just the past several months, Mr. Halsey attended the NCHV's National Stand Down Conference in San Diego, served as a volunteer for Sacramento Stand Down 2002, and represented the secretary of the California Department of Veterans Affairs as a member of the working group for the Governor's Interagency Task Force on Homelessness; and

**WHEREAS**, during the summer of 2002, Mr. Halsey assisted in producing California's Salute to Courage at the California State Fair, featuring country music recording artist Lee Greenwood performing his signature song, God Bless the U.S.A., which thrilled the audience including many veterans as well as military, law enforcement, fire, emergency services, and urban search and rescue personnel;

**NOW, THEREFORE, BE IT RESOLVED, BY THE CALIFORNIA VETERANS BOARD**, that we express our deep appreciation to Mr. Halsey for his extraordinary accomplishments as Chief, Veteran Services Division, and his outstanding contributions to the California Department of Veterans Affairs;

**FURTHERMORE**, we extend our best wishes to Mr. Halsey, his wife Evelyn, and their children.

**Veterans Homes - Larry Lattman, Chair:** Mr. Lattman told the audience that he was the first resident of a Veterans Home that had served on the California Veterans Board. He said he wanted the residents of the Chula Vista Home to know there are people in Sacramento in the CDVA and, especially, people on this Board that are extremely dedicated to the comfort and well-being of veterans in their twilight years. He said they had a very dedicated Administrator in Mr. Arnold and that Secretary Thiesen will do everything he can to help the veterans of California.

A member of the audience asked about a proposed cut in the fees at Veterans Homes. Mr. Lattman explained that the original 15% cut proposed by legislation introduced by Senator Wesley Chesbro, who represents Napa County, among others in Northern California, became a victim of the energy crisis. However, Senator Chesbro was able to get a 7.5% cut into the final budget, which will be a substantial savings for many veterans. They have not forgotten about the other 7.5%, but it will take further legislation.

**Contract Review - Jerry Basconcillo, Chair:** There are no contracts for review at this time.

**Recognitions and Awards – George Sinopoli, Chair:** Chairman Sinopoli explained that this Board has established a process to recognize the contributions by veterans' organizations, leaders of veterans' groups, elected and appointed officials, and individuals who give of themselves to the veteran community. Such a recognition was that given to Glen Halsey during the Veterans Services Select Committee Report.

**Legislation – Leo Burke, Chair:** Mr. Burke thanked Chairman Sinopoli, Executive Officer Earl Steck, and Jerry Jones, Chief of the Legislative and Public Affairs Office, CDVA, for their help during the past legislative session. He said there is little more important to the veteran community than the legislation that affects their lives. He also thanked the members of the Legislature who supported veterans.

There was a question from the audience about protecting assets from attachment for cost of care. Mr. Maguire said he had a member of his staff visit the Veterans Homes and discuss the law as it relates to unreimbursed costs of care. However, it was determined that the CDVA attorneys should not give advice on probate issues, as they are not probate attorneys. He said a person can usually go to a probate attorney for a nominal sum and discuss individual issues. Probate is a very specialized area of the law and the laws of probate are very complicated. It is not possible to give general answers since each person's situation can be different in many ways. For definitive answers in individual cases, it is imperative to see a probate attorney. Mr. Arnold commented that he believes most residents understand the laws as they relate to unreimbursed costs of care, but they do not agree with them and are seeking legal advice in avoiding such costs from their estates. This must be done on an individual basis by conferring with private counsel.

Mr. Lattman said the veterans at Yountville called upon an attorney who visited the Home on a pro bono basis and assisted a number of veterans in protecting their assets. However, if a veteran has a large estate to protect, it would be wise to consult with private counsel.

There was some further discussion about the issue of unreimbursed costs of care. Tom Krause, Undersecretary of Veterans Affairs, said the department had researched the issue, made corrections and additions to the information in the preadmission packages given to potential residents of the Veterans Homes and department counsel had made a number of presentations at the three existing Veterans Homes. He said the department is not in the business of providing individual legal advice. Additionally, if individuals object to the law as written, they have the privilege of contacting their legislative representatives.

He said he would be pleased to ask the attorney who had put the new packages together to come to the Chula Vista Home again at the request of the Administrator to discuss the law with the residents. A member of the Home who identified himself as an attorney said he understood the Department's position in not giving individual legal advice. He said since he is no longer practicing, he does not carry insurance that would protect him and he would not give legal advice if asked. He also agreed that questions of probate are very specialized and those with an estate to protect should avail themselves of private legal counsel. He said he gets tired of hearing people complain about the laws. The only people who can change the laws are the legislators.

**Appeals – George Sinopoli, Chair:** Chairman Sinopoli assigned new appeals, as follows:

John J. Griffin – appeal of denial of entry to Yountville – assigned to Dr. Feldman.

Stephen Pay – appeal of denial of disaster indemnity claim, Farm and Home Purchases – assigned to Ms. Gaze.

Dr. Feldman updated the Board regarding the appeal of Joseph Reed who was denied admittance to the Yountville Home about one year ago. He said he had two interactions with Mr. Reed, who appeared to be a very articulate and stable individual. He has also spoken with Mr. Reed's son. Dr. Feldman said there had been misunderstandings on the part of staff at the Yountville Home and that he believes the denial of admission should be overturned and Mr. Reed's appeal granted. Chairman Sinopoli said the matter would be taken up at the formal meeting on Saturday.

There was a question about an appeal from John Pagliero, who had submitted an appeal to the Board regarding denial of an earthquake claim by the Home Protection Unit of the Farm and Home Purchases Division. It was explained that Mr. Pagliero had failed to appeal the denial to the Chief of the Division and that it his submission of an appeal to the Board was premature. The matter is pending Mr. Pagliero's submission of an appeal to George Flores, in accordance with established procedures.

## **NEW BUSINESS**

Chairman Sinopoli asked Mr. Arnold if he would present a report on the **Chula Vista Veterans Home**.

Mr. Arnold said the Chula Vista Home is now certified by both Medicare and Medi-cal. He said there are 40 residents in skilled nursing care (SNC) and 202 in combined domiciliary (DOM) and residential care for the elderly (RCFE). The goal is to maintain a census of 211 residents in the DOMs and RCFE. There are 60 licensed beds now in SNC. Current challenges include getting SNC increased to 120 beds by the end of the fiscal year and recruiting and retaining skilled personnel. He said community support continues to be very positive in terms of donations and media exposure. Dr. Feldman asked about a full-time pharmacist. Mr. Arnold said they had reverted to contracting for a full-time pharmacist with a hospital and it will be the same pharmacist every day. They had been using registry pharmacists that resulted in two or three different pharmacists every week. He said that is not good so far as drug interaction controls. Mr. Lattman asked how far the nearest VA hospital is from the Veterans Home and Mr. Arnold replied the VA hospital in La Jolla is 25 miles. There is a Mission Valley outpatient clinic that is about 18 miles away.

## OPEN DISCUSSION

Martin Granning said he had been a resident of the Chula Vista Home for two years and that he loves living there. He said what about 60 residents miss the most is their chapel. He said that space is now being used by the SNF for a dining room. He said in losing the chapel, they lost a lot. He has been in contact with the three chaplains that come to the Home and they are aware of the problem. There is a problem in getting the land needed for a chapel and about \$300,000 will be needed, plus the authority to build. They have two organs that need minor repairs. He said he is working with the chaplains and service organizations to determine all that will be needed to get the project started. He said it would be called a Veterans Memorial Building and would be non-denominational.

James Teryison spoke about disability payments he is getting from the federal government going into the Home fund. Chairman Sinopoli asked Mr. Arnold for his comments. Mr. Arnold said it is a matter of the language of the law as contained in the Military and Veterans Code. The code says that if a veteran residing in a Veterans Home is in receipt of aid from the federal VA, those moneys must be turned over to the Home. Mr. Tarrison does not believe this should apply to those in DOMs (independent living). Mr. Arnold said he understands Mr. Tarrison's point, but the Code does not differentiate between the levels of care and requires that the money be turned over to the Home. Mr. Tarrison has recently received an award from the VA of several thousand dollars and the law mandates the money be turned over to the Home. Mr. Tarrison has written to Mr. Arnold requesting that he be allow to retain the award. Mr. Arnold said he will have to deny the request based on the law and will advise Mr. Tarrison of his right to appeal to the Board. Should Mr. Tarrison appeal, it may be up to the Board to determine if there is any policy interpretation of that portion of the law that would allow the granting of the appeal.

Dr. Feldman said the Board should determine whether this type of situation is handled in the same manner by all the Homes and ensure that there is only one policy for all the Homes.

Leo Kriser said since the Home opened there have been Certified Nursing Assistants (CNA) in the dorms. But since the SNF is now licensed, CNAs will be only in that area. He said he has the signatures of 55 residents who believe it would be a good idea to use residents as part time employees in the various dorms that need them. He said it is being done in Yountville and Barstow and seems to be working well. He said it would also help some of the veterans who have having problems finding worthwhile activities to occupy their time and would provide a little income.

Tom Kraus said that was a good point and there is precedent. The proposal has been made. He said he had been working on the issue at Mr. Arnold's continued insistence and hopes to have an answer very shortly.

Mr. Kriser commented that by using residents, it would be much easier to cover evenings and weekends.

Steve Arends, San Diego County Veterans Advisory Council, said he wanted to publicly commend Tom Arnold and his staff for doing a remarkable job since May 2000 when the Chula Vista Home was opened. He said that the problems of recruitment, training and turnover of qualified personnel at Veterans Homes have been issues at many Board meetings he has attended in the past and continue to be problems for the Chula Vista Home. Mr. Arends commented on the latest legislative summary produced on September 13 by CDVA. Although a number of bills benefiting veterans were passed and signed by the Governor, 26 veteran-related bills died in committee during this legislative session. He said congratulations on the bills that were successful, but he hopes the record will be better in the next session. He says there is a ways to go for veterans throughout the State of California. Chairman Sinopoli asked Al Pavich, Vietnam Veterans of San Diego, to address the assembly.

Mr. Pavich thanked Mr. Sinopoli and the Board Members. He said there is an expansion plan in San Diego to go from a facility with 87 beds to a facility with 300 beds to assist the 2,000 homeless veterans that are in San Diego. It is quite an endeavor and they will need all the support they can receive. He said one thing San Diego does not have is low-income housing. He said there is property available for development and he hopes someday, with the cooperation of the various governmental entities, to have low-income housing available for the graduates of his program.

Mike Gonzalez asked about the work incentive program. Mr. Kraus said he had addressed the question earlier and that it was being worked on. Mr. Gonzalez said they had heard that before, but that nothing has happened. Mr. Kraus said this is a difficult time for all branches of state government, with the budget restraints and other issues. He is doing what he can to get this request through the bureaucratic procedures. Mr. Gonzalez asked if Mr. Kraus was aware there is no Allied Council at the Chula Vista Home. Mr. Kraus replied that he knows there were some abortive attempts to have a Council but the process was never completed. Mr. Arnold said there had been a President-elect and a Vice-President-elect for an Allied Council. These people decided to step down and the Council was reconfigured to what is now called a Resident Council. He said there are representatives from each of the levels of care. What Mr. Gonzalez is saying is that there is not a President or Chairperson over those groups. Mr. Arnold said he had given the representatives the opportunity of nominating someone to take such a position. So far, no one has come forward. The representatives appear to be satisfied with the Council as it is. Mr. Arnold meets with them every month. He said he is open to what the representatives and the residents want to do. He said there is a Council, it just does not happen to have an overall President or Chair. There was some further discussion. Chairman Sinopoli said this was an internal matter among the residents of the Home and the administration of the Home and the Board should not be involved in this type of situation.

Chairman Sinopoli asked Glen Halsey to give a report on the **Division of Veterans Services**.

Mr. Halsey thanked Chairman Sinopoli and the Board Members for the honor they had bestowed on him through their resolution. He said he will share the honor with his staff. He said the annual on Division activities will be ready for the Board in November. He will also be discussing changes and additions to policies with Member Basconcillo, which will then be presented to the full Board for its review. In relation to the Disabled Veterans Business Enterprise (DVBE) program, he just signed the interagency agreement between CDVA and the Department of General Services (DGS). It has taken quite a while for the negotiations between the two agencies. He expects the agreement will have been signed by DGS when he returns to his office next week. He reported there had been a ceremony in Sacramento honoring the CDVA in leading the 90 state departments in their utilization of DVBEs. The requirement is 3% of contracts and CDVA led with 15%. He said it makes his job easier when he goes out to talk with the other 89 agencies. Mr. Arnold said that in August Chairman Sinopoli had requested a report to the Board on homeless veterans in California. An 86-page report entitled "A Study on the Status of Homeless Veterans in California" has now been submitted. There are 55,000 homeless veterans in California. There is a huge gap in funding sources available for homeless service providers. The shrinking economy and budget deficit make it more and more difficult. He commended the efforts of Al Pavich and the Vietnam Veterans of San Diego and the members of the California Association of Veterans Service Agencies for the outstanding job they do. He also commended USDVA Secretary Princippi's Homeless Veterans Advisory Commission. This report is a step in the right direction toward future discussion and action on this issue. He said affordable transitional housing is the one element that is needed to assist all the homeless in California. Only 25% of the people in California can afford to purchase a home. That causes increases in cost of rent statewide. In San Francisco, a person would have to work 122 hours a week at minimum wage to afford an average rental. That is the reason there are so many more homeless on the streets of San Francisco than in other places.

There are many resources to fund services for homeless. Unfortunately, there is little strictly targeted for homeless veterans. A lot of work has been done by the Governor's Interagency Task Force on Homelessness. Secretary Thiesen has been involved, as well as many other agency secretaries and department heads. He said there is progress, but it seems it is never enough. Governor Davis signed Senator Burton's legislation, S. B. 1227, which will be on the ballot in November. It is a \$2.1 billion bond measure entitled the "Housing and Emergency Shelter Trust Fund Act of 2002." It is hoped to acquire about 23% of the money, about \$400 million, for specialized programs for homeless veterans, but it will probably require further legislation. Proposals have also been made to use Cal-Vet money to assist homeless veterans after they have gone through a transitional program. Mr. Halsey said there should be monitoring of military base closures to secure facilities for homeless transitional housing. It is not necessary to build up a large infrastructure if there are existing facilities that can be rehabilitated. There is a great potential. There has also been discussion regarding training and educational programs that can benefit homeless veterans.

Chairman Sinopoli asked George Flores to report on the **Farm and Home Purchases Division**.

Mr. Flores reported that the Legal Division is finalizing the contract with Standard Life for the transition of the Cal-Vet Life and Disability Insurance Program. That contract will be effective February 1, 2003. When the transition has been accomplished, there will be further talks with Standard as to whether further assistance can be given to some veterans who are truly totally disabled. There would be further cost to the CDVA if such a program became effective. The on-line application process is being tested. Within the next few weeks, upgrades to the current system will be completed to accommodate the internet process. The process should be completed in November. The fire and hazard insurance contract will be negotiated during the month of October so that renewal can take place in November. Mr. Flores said he would be working with Board Members Gaze and Burke in connection with the renewal of the fire insurance contract. As a result of SB 1893 (Johannessen) the Cal-Vet maximum home loan will be \$300,700 on January 1, 2003. The law allows the loan limit to increase without requiring further legislation, as it will be tied to the federal Fannie Mae loan limit. When the federal maximum loan increases, Cal-Vet will be able to increase its maximum loan without awaiting further legislation. The bill also provides the flexibility needed to lower the Cal-Vet interest rate for those called to active duty who meet the provisions of the federal Soldiers' and Sailors' Act. Another bill by Senator Johannessen provides for home improvement loans to veterans who do not current have a Cal-Vet basic loan under limited conditions that comply with federal law. The law also allows the interest rate on home improvement loans to be set independently of the interest rate on basic loans. AB 2428 (Correa) extends veteran status to members of the reserves or National Guard called to active duty during a period when a presidential executive order specifies that the United States is engaged in homeland defense. This expands eligibility for Cal-Vet loans so long as the veteran is eligible for funds under federal law.

Mr. Flores reported that 776 Cal-Vet loans were funded during the first three quarters of 2002. The average loan amount was \$176,542 and the average processing time was 30 days. (The figures do not include loans on mobile homes in parks.) He also reported that the Bond Finance Division intends to release a Request for Proposal (RFP) this month for a Quantitative Cash Flow Management Consultant. The duration of the contract will be three years, not to exceed \$750,000. A copy of the RFP will be sent to the Board's contract review committee.

Mr. Flores said that he and his staff have been working with Board Member Judy Gaze to develop ways that the Cal-Vet loan program can reach more veterans. In particular, they are focusing on younger veterans and younger active duty military people. These people face difficulties in finding affordable housing for themselves and their families. The Manager of Special Projects has been assigned to develop ideas. He said he is concerned about reports that homeless people will be getting Cal-Vet funds.



He said that no one has discussed such funding with either he or Board Member Gaze, which leads him to believe that people making such reports do not know what they are talking about. Governor Davis vetoed AB 748 because it contained language that was contrary to federal laws that govern the uses of tax-exempt funds, such as the funds that support the Cal-Vet loan program.

Chairman Sinopoli asked the Board Members to consider the proposed meeting sites for the upcoming year. The suggestions are Barstow in February, Sacramento in March, Chula Vista in April, Oakland in May, Los Angeles area in July, August is open, Ontario in September, Sacramento in October, Central Valley in November and Yountville in December. There will be no meeting in January 2003 in keeping with a 15% reduction in the budget. No meeting is scheduled in June, as usual, because of the conventions of the veterans' organizations. The locations are tentative depending upon availability of meeting places and accommodations. Mr. Lattman said the central coast area had not been covered for some time and suggested consideration of San Luis Obispo. Chairman Sinopoli suggested that August might be a good time to go to the central coast and Mr. Lattman said he would talk to the organizations there and coordinate with them. There was further discussion about meeting sites and budgetary restraints and it was recommended to set the schedule for the first half of 2003 and have further discussion about the remainder of the year. Member Gaze requested that the actual dates be set several months in advance for planning purposes.

Chairman Sinopoli asked if there were further comments or questions from the audience.

Claude Bland, a veteran of WWII and resident of the Chula Vista Home, asked what priority the Chula Vista Home had in regard to the budget cuts. Mr. Kraus replied that there are a number of budget cuts being considered for both this year and next year. The good news is that CDVA had recently been advised that the care-giving components had been exempted from the budget drills. In fact, care-giving components in all state agencies were exempted. All other components of the CDVA will have to go through the budget drills. Other than that, it is all subject to the political process involving the Legislature and the Governor. He said that Governor Davis had stood by the CDVA and protected it from budgetary cuts. Mr. Bland asked if the Veterans Homes were in the top ten in priority. Mr. Kraus said there was no rating system under which he could answer such a question. By the fact that the care-giving component, i.e., the Veterans Homes, have been exempted from even having to go through the budget drills, clearly shows the protection being provided by the Governor's Office. He said next year's budget deficit is expected to be just as large, about \$15 billion. It will be a tough year. Chairman Sinopoli said the Board's budget had not been cut and he believes veterans are a top group in the Governor's eyes.

Mr. Lattman said the message that the Yountville Allied Council had taken to Sacramento was that the veterans should be untouchable in the budget cutting. He said we are engaged in a war and it does not provide a positive message to the troops in the field if the budget is cut for the veterans who have fought in the past. Mr. Lattman said he believes the Governor agrees with that and that the CDVA will be protected in the budget.

Freida Ostenson, WWII and resident of the Chula Vista Home, commented that the word "independent" in terms of "independent living" should not be used in conjunction with entry into the Veterans Homes. She said the very fact that a person is entering a Veterans Home shows that they are not independent. She said the terminology is wrong and should be changed. She said if the residents were independent, they would not be in the Home.

There being no further business before the Board, Chairman Sinopoli adjourned the meeting at 2:49 p.m.

**CALIFORNIA VETERANS BOARD**  
**MINUTES OF GENERAL SESSION #650**  
**Saturday, October 5, 2002 – 8:00 AM**  
Veterans Memorial Center and Museum  
San Diego, California

**GENERAL SESSION:**

The California Veterans Board (CVB) monthly public meeting was called to order at 8:00 AM. Board members present included Chairman George Sinopoli (Fresno), Vice Chairman Edward Feldman (Westlake Village), Members Jerry Basconcillo (Delano), Judy Gaze (San Diego), Larry Lattman (California Veterans Home in Yountville) and Leo Burke (Stockton).

Chairman Sinopoli introduced the members of the Board; Joe Maguire, Legal Counsel to the Board; and CVB Executive Officer Earl Steck. He noted that Tom Kraus, Undersecretary of the California Department of Veterans Affairs (CDVA) was sharing the dais with the Board.

Mr. Kraus introduced personnel from the California Department of Veterans Affairs (CDVA), to include George Flores, Chief of the Farm and Home Purchases Division; Glen Halsey, Chief of Veterans Services Division; John Heltsley, Administrator of the Veterans Home in Barstow; and Tom Arnold, Administrator, and Gary Crossland, Veterans Home in Chula Vista. Chairman Sinopoli introduced Jerry Hansen, Inspector General of the CDVA.

The audience introduced themselves.

**MOTION** passed to approve minutes from the CVB meetings of September 13 and 14, 2002, as corrected.

Chairman Sinopoli welcomed everyone and thanked them for attending. He said the Board had an excellent meeting on Friday at the Chula Vista Veterans Home. There was large number of people in attendance. He said Board Member Gaze had kept the Board busy during the time they were in San Diego and that more activities were planned.

**REPORT FROM BOARD MEMBERS ON ACTIVITIES FOR SEPTEMBER:**

**Member Jerry Basconcillo** reported attending the Board meeting in September and several meetings of veterans' organizations, including the VFW.

**Member Judy Gaze** attended the Board meeting in Sacramento in September and met with a number of Cal-Vet personnel regarding the Farm and Home Loan Program discussing what can be done to make the benefits more readily available to younger veterans and those still in the active military. She also worked on proposed changes and additions to the policies governing the Cal-Vet loan program.

**Member Ed Feldman** attended the CVB monthly meeting in Sacramento and POW day in Barstow. He also did work on the Task Force the week of September 16.

**Member Larry Lattman** reported attending the CVB monthly meeting in Sacramento. He said a delegation from Ukraine, including doctors, administrators and interpreters, had visited the Home in

Yountville. There is a large veterans home in Ukraine. They said Yountville was the finest veterans home they had ever visited.

**Member Leo Burke** reported he attended the Board meeting in September. He traveled to Washington, D.C., to work on some veteran's legislation, but it was not complete.

**Chairman Sinopoli** reported he also attended the Board meetings in Sacramento where the members worked on the Board Policy Book. He also represented the Governor's Office at a POW/MIA ceremony in the VFW Hall in Fresno.

**REPORTS: (Status of CDVA Division / Select Cal Vet Board (CVB) Committees / Special)**

**VETERANS HOMES OF CALIFORNIA, CDVA DIVISION:**

**Yountville Veterans Home** – Tom Arnold reported for Yountville. He gave an overview of the budget situation and adjustments that were made regarding reimbursements. He reported the census on September 27 was 1,085 residents. Five residents were in acute care and 215 were in the SNF. Veterans Home employees with 25 years or more State service were honored at a reception on October 1. Residents of the Home will participate in the Yountville Days Parade and Festival on October 6 and the Senior Games in Napa and at the Home during the week of October 13. The Woodland VFW Auxiliary will visit the Home on October 26 and bring Halloween treats to those in the hospital and there will be a Halloween party in Grant Hall on October 31.

**Barstow Veterans Home** – John Heltsley, Administrator, reported there are 254 residents in the Barstow Home as of October 4. Of these, 91 are in SNF and 30 in the Intermediate Care Facility(ICF). On September 17, he, Dianne Weddington and 10 residents attended the Military Mixer at Ft. Irwin. On September 19, the Home hosted a breakfast for the Military Spouses' Tour, which is a three-day tour of Ft. Irwin and Barstow held quarterly. On September 20, more than 100 residents and community members attended the POW/MIA Recognition Day luncheon at the Home. Fifteen former POWs were in attendance and a highlight was the unveiling of the POW/MIA remembrance plaque to be displayed in front of the Administration Building. An old-fashioned Country Fair was held on September 27. Also, on September 19, Undersecretary Kraus visited the Home to discuss budget issues.

Mr. Heltsley said he was extremely pleased to advise the Board and the audience that, on October 2, the Los Angeles Water & Power American Legion Post No. 342 presented the Barstow Post Fund with a check for \$40,000 to be used for the benefit of the Home and its residents.

**Chula Vista Veterans Home** – Please see full report in minutes for October 4, above.

**VETERANS HOMES CALIFORNIA, CVB Committee**, Larry Lattman. Mr. Lattman said he had nothing urgent to report since the Legislature is not in session. He commented that Tom Krause, Undersecretary of CDVA, visits Yountville often and always makes time for members of the Allied Council. He says there is an excellent relationship between the CDVA and the members of the Home, which is very important to the residents.

At this point in the meeting, a former Chair of the California Veterans Board entered the meeting. Chairman Sinopoli acknowledged and introduced Brig. Gen. Robert L. Cardenas, USAF (Ret.), and invited him to address the Board and the assembly. Unfortunately, the tape of Gen. Cardenas' comments was not intelligible due to the echoes in the building.

Gen. Cardenas was appointed to the Board by Governor Deukmejian and served a four-year term in the early 1990s, during which the members of the Board elected him to the Chairmanship.

**FARM AND HOME PURCHASES, CDVA DIVISION** – Please see full report in minutes for October 4, above.

**FARM AND HOME PURCHASES, CVB Committee, Judy Gaze:** Ms. Gaze said the new internet Cal-Vet loan application is being designed to be user friendly. Also, she is continuing to work with Farm and Home staff to improve marketing and the availability of benefits to younger veterans and military personnel.

**VETERANS SERVICES DIVISION** – Please see full report in minutes for October 4, above.

Board Member Feldman asked if there were some way that the CDVA and/or the Board could get some advance notice of base closures where housing facilities may be available that could be utilized for homeless veterans.

A woman in attendance replied saying it was very political and there were certain agencies and groups that had the advantage in such situations.

**MOTION** passed unanimously to accept the report entitled “A Study on the Status of Homeless Veterans in California.”

**MOTION** passed unanimously to approve the resolution honoring Glen Halsey.

**VETERANS SERVICES, CVB Committee, Veterans Services, Jerry Basconcillo:** The resolution honoring Glen Halsey for his service to veterans was presented to him by Board Member Leo Burke. Mr. Halsey said he was humbled by the honor and accepted it on behalf of the outstanding people in his Division.

**POLICY AND PROCEDURES, CVB Committee, Edward Feldman:** Dr. Feldman said the work was ongoing to ensure the Board Policies are up-to-date and meet the needs of the veterans. The Board and CDVA work together to provide the benefits to veterans granted by the laws of the State of California. It is the job of the CDVA to administer those laws and it is the job of the Board to provide policies under which the laws are administered. There is a fine line between policies and regulations. The Board’s policies have to be reviewed to ensure they are in compliance with the laws and regulations in effect and that they provide the guidance needed to administer those laws and regulations. Dr. Feldman said his committee is working with the Attorney General’s Office to obtain independent counsel for the Board. This is being done with the cooperation of Joe Maguire, Chief Counsel for the CDVA and the Board.

**CONTRACT MANAGEMENT, CDVA** – There was no report from the CDVA.

**CONTRACT MANAGEMENT, CVB Committee, Jerry Basconcillo.** There are no contracts to be considered at this time.

**LEGISLATIVE AFFAIRS, CDVA** – Jerry Jones, Chief of Legislative and Public Affairs, was not in attendance.

**LEGISLATIVE AFFAIRS, CVB Committee, Leo Burke.** Mr. Burke said he wanted to welcome his former colleague on the Board, Gen. Cardenas. He said he and Gen. Cardenas were working with Secretary Princippi on a committee in Washington, D. C. Mr. Burke said the Legislature was adjourned for the year and the final legislative report dated October 2002 had been made available. He said the most significant legislation for veterans were the bills authorizing the construction of five new veterans homes. He thanked Speaker of the Assembly Wesson for providing the leadership needed to get the bills passed and Governor Davis for signing the bills into law. Mr. Burke noted that Governor Davis had signed SB 1858 (Knight). The bill requires one member of the Board to have an accounting or auditing background. It requires the Inspector General and the Board to have access to the documents and employees of CDVA. It requires the Secretary of Veterans Affairs to conduct audits and set internal controls and provide the audits to the Inspector General. The bill contained an urgency clause, and became effective with the Governor's signature.

**ANNUAL REPORT, CVB Committee, Jerry Basconcillo:** Mr. Basconcillo thanked the Board Members and the Executive Officer for their work on the Annual Report which was submitted to Governor Davis to approval and submission to the Legislature

**RECOGNITION AND AWARDS, CVB Committee, George Sinopoli:** Chairman Sinopoli recognized Dr. Tom Splitgerber, Executive Director of the Veterans Memorial and Museum of San Diego, in recognition of the service to California Veterans, subscribed October 15, 2002, by the members of the California Veterans Board.

**APPEALS, CVB Committee, George Sinopoli:**

**Joseph Reed,** request for informal review of denial of admittance to the Veterans Home at Yountville, has been put over until the October meeting.

Dr. Feldman said he had been working on this appeal for some time. Although he is a physician, Dr. Feldman said he was not questioning the diagnoses of the doctors who had examined Mr. Reed. He did use his knowledge as a physician in considering Mr. Reed's appeal, however. He has met with Mr. Reed on two occasions and has spoken with Mr. Reed's son. Dr. Feldman said that Mr. Reed performs all daily functions, is ambulatory and can climb stairs. His behavior has been described as friendly, outgoing, quiet and happy. Dr. Feldman said he thought Mr. Reed was a perfect candidate for admission into the Veterans Home and he encouraged the Board to reverse the denial of admission and grant Mr. Reed's appeal.

**MOTION** passed unanimously to reverse the denial of admission to Yountville and to grant Mr. Reed's appeal.

**Rachel Marie Loerch,** request for review of the records regarding denial of college tuition fee waiver.

Mr. Burke reviewed this case. He reported that Ms. Loerch attends UCSD full time and is in her senior year. She receives no assistance from her parents, who have three other children in college out of state. She pays her own rent, insurance, food, books and college fees. She works part time, 20 hours per week at \$8 per hour, which equals \$640 per month before taxes. She has a Stafford grant for part of costs. The family current has outstanding student loans in the amount of \$75,000. Her father is a verified 30% disabled veterans. Mr. Burke stated that this is the kind of decision he dislikes most. However, the facts bearing on Mr. Burke's recommendation are as follows: Current law sets the maximum income for a student receiving tuition fee waiver at \$8,959 (as reported on July 2001).

Entitlement to benefits for the academic year 2002-2003 is based on income for the year 2001. Ms. Loerch's income and the annual value of support provided by her parents is established at approximately \$2,155 over the income limit cited in the law. Therefore, based on the facts and, as a matter of law, the appeal must be denied.

**MOTION** passed unanimously to uphold denial college tuition fee waiver and deny appeal.

Several members of the Board expressed their wish that the appeal could have been granted, but it is a matter of law and the Board cannot overturn the law.

Board Member Lattman discussed the income limit set for college tuition fee waiver. He said the poverty level used is based upon the nation and that the cost of living in California is high. He suggested the Board appoint someone to look into this matter to see if the law can be changed so that more students can receive tuition fee waivers.

Chairman Sinopoli asked Jim Stodola, San Diego CVSO, to look into the matter and report back to the Board.

**LEGAL DIVISION**, Joseph Maguire, Deputy Secretary / Chief Counsel: Mr. Maguire reported the current caseload in the Law Division includes 13 personnel actions, 5 bankruptcies, 2 Board of Control claims, 7 citations, 32 civil litigations, 9 contract reviews, 2 EEOC claims, 1 insurance case, 25 requests for legal opinions, 1 quiet title action, 9 unlawful detainers and 24 miscellaneous cases for a total of 130 cases. The Division presently has six attorneys

There are several cases that are significant. The Debbs case, is set for motion of summary judgment in November. This is a class action suit against the CDVA for \$300 million, accusing the CDVA of misappropriation of life and disability funds. There is a third-party liability case involving an employee who is suing because of actions of a resident of a veterans home. The CDVA position is that we are not liable for third parties. The court ruled otherwise, and the CDVA is appealing. Mr. Maguire said he believed the CDVA would win the case, as the liability would be too broad if the court rules otherwise. At issue is whether the CDVA can control the residents and to what extent they can be controlled. It is a difficult question. Another significant case involves mold. There are Northridge earthquake cases that keep coming up. The losses occurred in 1994, but, because of the actions of Commissioner Quackenbush, the courts extended the statute of limitations on insurance claims. The CDVA has argued that the statute of limitations should be have an effect on its coverage because our Disaster Indemnity program is not actually "insurance." Mr. Maguire believes CDVA is on solid ground because of a previous Supreme Court ruling. He reported he had attended a conference regarding the money from the sales of veteran license plates. The CVSOs want to devise a different scheme for distributing the funds from license plate sales.

Member Feldman asked if Mr. Maguire could provide him with copies of citations from VHS. Mr. Maguire said he would have to research it. If it would be legal to do so, he will provide them.

**INSPECTOR GENERAL**, Jerry Hansen: Mr. Hansen provided an Audit Plan for Fiscal Period July 2002 to June 2003. Among other things, it included auditing of the cash receipts cycle, purchasing, contracting, personnel/payroll, fixed assets and information security review. It was estimated that these audits would require 3,824 hours of staff time. Mock reviews of the three existing veterans homes were estimated to require 288 hours of staff time.

Inspector General activities, including complaints, investigations, administration/office support and meetings and conferences were estimated to require 2,668 hours of staff time. There were requests for audits that will not be completed in the 2002-2003 fiscal year due to inadequate staffing. These include reimbursement contract review, outside medical referrals in veterans homes, County Veterans Service Offices, veterans license plate program, and post fund reviews.

**SECRETARY'S COMMENTS:** Tom Kraus, Undersecretary, reported for Secretary Thiesen. He discussed the budget reviews and the challenges faced by the CDVA because of budget cuts. He said the Legislature adjourned leaving a budget shortfall, but did not identify where the cuts should be made. The problem must be solved by the administration. The CDVA will face a budget cut of \$1.8 million this fiscal year. He explained that the Farm and Home Loan Program works from a special fund.

**PUBLIC COMMENT – THREE MINUTE LIMIT:**  
(Board Policy Prohibits Response from Board Members)

**UNFINISHED AND NEW BUSINESS:**

**FUTURE MEETING DATES AND LOCATIONS:**  
All meetings take place on Friday and Saturday unless notified.

Nov 15-16      Fresno Area (Clovis)  
Dec 6-7        Vet Home of Cal. In Yountville

Yearly schedule is posted on web site: [www.cdva.ca.gov/board](http://www.cdva.ca.gov/board)

**CLOSING REMARKS:**

**CLOSED SESSION** (if necessary or required)

The general reason or reasons for a closed session, and the specific statutory authority therefore, are (1) to consider the appointment or employment of a public employee under the authority of Section 11126(a) of the Government Code; and (2) to confer with or receive advice from the Board's legal counsel regarding pending litigation under the authority of Section 11126(E)(2)(A), (2)(B), and (3) of the Government Code.

- There being no further business to discuss the meeting was adjourned at 3:22 PM.
- These minutes are only a summary of the proceeding and are not reported here verbatim.
- These minutes are posted to the California Department of Veterans Affairs on-line website at [www.cdva.ca.gov/board](http://www.cdva.ca.gov/board)

**ADJOURNED**

**NOTE:** A public meeting of the following Select Committees was held on Friday July 12, 2002 at 2 p.m. Lakeshore Lodge meeting room, South Lake Tahoe, CA The following topics discussed: Annual Report, Appeals, Contract Review, Farm and Home, Legislation, Policy and Procedures, Recognition and Awards, Veterans Homes, and Veterans Services.